



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0282	<b>Title:</b>	Revise license fees for nursery stock vendors at farmers markets
<b>Primary Sponsor:</b>	Grinde, Wanda	<b>Status:</b>	As Introduced

- |                                                           |                                                                  |                                                          |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	(\$40,945)	(\$40,945)	(\$40,945)	(\$40,945)
<b>Revenue:</b>				
State Special Revenue	(\$40,945)	(\$40,945)	(\$40,945)	(\$40,945)
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

HB 282 changes the licensing structure and fee schedule within the nursery program. Revenue within the Department of Agriculture (MDA) to the nursery state special revenue account will be reduced as the number of licenses and amount of fees are reduced.

### FISCAL ANALYSIS

#### Assumptions:

1. Prior to the legislative session of 2007 there was a tiered licensing structure, which included exemption of nurseries with annual gross sales of less than \$1,000 and a reduced license fee of \$30 for nurseries with gross annual sales between \$1,000 and \$3,000. The number of licensed nurseries that fell within those two categories would be similar to the proposed bill exemption of nurseries with gross annual sales under \$3,000. In 2007 there were 1,097 licensed nurseries. Of the 1,097 nurseries, 22.15% (or 243) paid no license fee (exempt), 16.86% (or 185) paid \$30 for a license, and 60.98% (or 669) paid \$95 for a license.
2. There are currently 1,104 licensed nurseries. Using the same percentage of licensure categories, 245 nurseries would have sales less than \$1,000 and 186 would have sales between \$1,000 and \$3,000. Combining these two categories would represent the number of nurseries proposed for exemption in this

bill. The total number of nurseries exempt from licensing would be 431. The remaining 673 nurseries would have sales of \$3,000 or more and would pay a license fee of \$95.

3. Exempting 431 nurseries from licensing would result in a revenue reduction of \$40,945 (431 nurseries x \$95/license).
4. The MDA will continue to use One-Stop services in the Department of Revenue (DOR). DOR charges to process nursery licenses for MDA are currently \$4.37 per license.
5. If nurseries earning under \$3,000 gross annual sales are not required to license, MDA expenditures for One-Stop services will be reduced by \$7,533.88 over the next four years or \$1,883.47 per fiscal year (431 nurseries x \$4.37/license = \$1,883.47 x 4 years = \$7,533.88).
6. Spending authority will be reduced by the lost revenue or \$40,945 (\$16,015 in personal services, \$23,047 in inspections and \$1,883 for One-Stop services = \$40,945) each year.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	(\$16,015)	(\$16,015)	(\$16,015)	(\$16,015)
Operating Expenses	(\$24,930)	(\$24,930)	(\$24,930)	(\$24,930)
<b>TOTAL Expenditures</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	(\$40,945)	(\$40,945)	(\$40,945)	(\$40,945)
<b>TOTAL Funding of Exp.</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	(\$40,945)	(\$40,945)	(\$40,945)	(\$40,945)
<b>TOTAL Revenues</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>	<b>(\$40,945)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*